

TRUST AND AGENCY FUNDS



Music courses took on a whole new meaning at Arkansas Tech when the doors of the Pendergraft Library and Technology Center opened last fall. The state-of-the-art music lab is equipped with 13 individual workstations featuring high speed computers, CDs, video monitors and keyboards. Students may listen to sound recordings and view video recordings, both in multiple formats. They may hone their ear training skills, compose and edit scores, and even mix their own sound recordings. Tech's music faculty is using the equipment not to teach technology, but to teach music *through* technology.

TRUST AND AGENCY FUNDS

Trust and agency funds are used to account for assets held by the State in a fiduciary capacity or as an agent for individuals, private organizations, or other governments and/or funds. The trust and agency funds consist of the following:

Expendable Trust Fund - This fund is accounted for in essentially the same manner as governmental funds and is administered by the Arkansas Employment Security Department to eligible unemployed workers.

Pension Trust Funds - These funds are accounted for in essentially the same manner as proprietary funds, and includes Judicial, Teacher, State Police, Highway, and APERS retirement plans.

Agency Funds - These funds are custodial in nature and do not involve measurement of operations. Included in these funds are assets held by the Insurance Department and various other state agencies.



Trust and Agency Funds Combining Balance Sheet

June 30, 2000

(Expressed in Thousands)

	Expendable Trust	Pension Trust		
	Employment Security Division	Judicial	Teacher	State Police
ASSETS:				
Cash and cash equivalents	\$275,818	\$ 3,297	\$ 279,225	\$ 27,930
Investments		112,324	8,542,580	246,797
Receivables, net:				
Accounts	45,186		37	
Employer			4,865	26
Employee			6,121	
Investment related		2,179	253,724	3,426
Due from other governments	3,618			
Due from other funds - primary government	865			
Advances to other funds - primary government			21,857	
Fixed assets, net			1,454	
Other assets			41	
TOTAL ASSETS	<u>\$325,487</u>	<u>\$ 117,800</u>	<u>\$ 9,109,904</u>	<u>\$278,179</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable		\$ 1,559	\$ 2	
Accrued and other liabilities	\$ 49,641		1,131,834	\$ 45,008
Due to other governments	1,004			
Due to other funds - primary government				
Agency liabilities				
Total Liabilities	<u>50,645</u>	<u>1,559</u>	<u>1,131,836</u>	<u>45,008</u>
Fund balance:				
Reserved for unemployment compensation	274,842			
Reserved for employee pension benefits		116,241	7,978,068	233,171
Total Fund Balance	<u>274,842</u>	<u>116,241</u>	<u>7,978,068</u>	<u>233,171</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$325,487</u>	<u>\$ 117,800</u>	<u>\$ 9,109,904</u>	<u>\$278,179</u>

Agency Funds				
Highway	APERS	Insurance Department	Other Agencies	Total
\$ 74,530	\$ 164,003	\$ 19,731	\$ 29,101	\$ 873,635
937,376	4,484,933	421,457	585	14,746,052
				45,223
533	1,924			7,348
313				6,434
7,424	53,754			320,507
			81	3,699
				865
				21,857
	153			1,607
	17			58
<u>\$ 1,020,176</u>	<u>\$ 4,704,784</u>	<u>\$441,188</u>	<u>\$ 29,767</u>	<u>\$ 16,027,285</u>
				\$ 1,561
\$ 5	\$ 469,392			1,695,880
			\$ 14	1,018
			56	56
		<u>\$441,188</u>	<u>29,697</u>	<u>470,885</u>
<u>5</u>	<u>469,392</u>	<u>441,188</u>	<u>29,767</u>	<u>2,169,400</u>
				274,842
<u>1,020,171</u>	<u>4,235,392</u>			<u>13,583,043</u>
<u>1,020,171</u>	<u>4,235,392</u>			<u>13,857,885</u>
<u>\$ 1,020,176</u>	<u>\$ 4,704,784</u>	<u>\$441,188</u>	<u>\$ 29,767</u>	<u>\$ 16,027,285</u>

Pension Trust Funds Combining Statement of Changes in Plan Net Assets Held in Trust for Pension Benefits

For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Judicial	Teacher	State Police	Highway	APERS	Total
ADDITIONS:						
Contributions:						
Employer	\$ 4,054	\$ 175,687	\$ 6,938	\$ 13,948	\$ 96,349	\$ 296,976
Employee	733	55,633		6,609	369	63,344
Total Contributions	4,787	231,320	6,938	20,557	96,718	360,320
Investment income:						
Net appreciation in fair value of investments	8,032	449,348	18,539	130,050	261,197	867,166
Interest	3,145	138,048	5,980	32,786	83,518	263,477
Dividends	554	69,077	1,140	1,076	19,016	90,863
Real estate operating income (loss)		2,093			(1,400)	693
Other		41,373	3,336	1,062	23,488	69,259
Less investment expense	(501)	(59,194)	(4,283)	(2,232)	(35,803)	(102,013)
Net Investment Income	11,230	640,745	24,712	162,742	350,016	1,189,445
Other additions - Miscellaneous revenues	218	635	126		7,977	8,956
TOTAL ADDITIONS	16,235	872,700	31,776	183,299	454,711	1,558,721
DEDUCTIONS:						
Annuity benefits	3,695	284,356	9,016	32,347	121,714	451,128
Refunds of employee contributions	35	3,318		861	43	4,257
Administrative expenses	46	9,600	60		3,558	13,264
Other deductions				252		252
TOTAL DEDUCTIONS	3,776	297,274	9,076	33,460	125,315	468,901
NET INCREASE	12,459	575,426	22,700	149,839	329,396	1,089,820
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AT BEGINNING OF YEAR	103,782	7,402,642	210,471	870,332	3,905,996	12,493,223
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AT END OF YEAR	\$ 116,241	\$ 7,978,068	\$ 233,171	\$ 1,020,171	\$ 4,235,392	\$ 13,583,043

Pension Trust Funds

Statement of Net Plan Assets

June 30, 2000
(Expressed in Thousands)

	Judicial	Teacher	State Police	Highway	APERS
ASSETS					
Cash and cash equivalents	\$ 3,297	\$ 279,225	\$ 27,930	\$ 74,530	\$ 164,003
Investments	112,324	8,542,580	246,797	937,376	4,484,933
Receivables, net:					
Accounts		37			
Employer		4,865	26	533	1,924
Employee		6,121		313	
Investment related	2,179	253,724	3,426	7,424	53,754
Advances to other funds - primary government		21,857			
Fixed assets, net		1,454			153
Other assets		41			17
Total Assets	<u>\$ 117,800</u>	<u>\$ 9,109,904</u>	<u>\$278,179</u>	<u>\$ 1,020,176</u>	<u>\$ 4,704,784</u>
LIABILITIES					
Accounts payable	\$ 1,559	\$ 2			
Accrued and other liabilities		1,131,834	\$ 45,008	\$ 5	\$ 469,392
Total Liabilities	<u>1,559</u>	<u>1,131,836</u>	<u>45,008</u>	<u>5</u>	<u>469,392</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
	<u>\$ 116,241</u>	<u>\$ 7,978,068</u>	<u>\$233,171</u>	<u>\$ 1,020,171</u>	<u>\$ 4,235,392</u>

Agency Funds

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
INSURANCE DEPARTMENT:				
Assets:				
Cash and cash equivalents	\$ 26,165		\$ 6,434	\$ 19,731
Investments	416,691	\$ 4,766		421,457
Investment related receivables	13		13	
TOTAL	\$442,869	\$ 4,766	\$ 6,447	\$441,188
Liabilities - Agency liabilities	<u>\$442,869</u>	<u>\$ 4,766</u>	<u>\$ 6,447</u>	<u>\$441,188</u>
OTHER AGENCIES:				
Assets:				
Cash and cash equivalents	\$ 34,970	\$ 2,687,164	\$ 2,693,033	\$ 29,101
Investments	575	10		585
Due from other governments	94		13	81
TOTAL	\$ 35,639	\$ 2,687,174	\$ 2,693,046	\$ 29,767
Liabilities:				
Due to other governments	\$ 51		\$ 37	\$ 14
Due to other funds - primary government		\$ 56		56
Agency liabilities	<u>35,588</u>	<u>2,676,572</u>	<u>2,682,463</u>	<u>29,697</u>
TOTAL	\$ 35,639	\$ 2,676,628	\$ 2,682,500	\$ 29,767